

## RIG Grant

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The task: to turn Lincoln, Flathead, Sanders, Lake, Mineral, Ravalli and Missoula Counties into one economic region. Those charged with the task include key workforce development partners in each area of the region, including workers and industry as well as education, economic development, government and workforce training providers. The reason: The economy in western Montana is changing. According to the Quarterly Census of Employment and Wages, the number of workers employed in the wood products industries has dropped by 32% over the past 16 years and continues to decline.

In the short term, the crisis with the national housing market has exacerbated troubles in the wood industry; during the past year more than 418 jobs have been lost in the wood products industry alone. That not only impacts the wood products industry, but the ripple effects impact secondary businesses; for every 100 jobs lost in the wood products industry, an estimated 46 jobs are lost in related industries. This has huge impact in the region's rural communities.

Ironically, western Montana's economy has continued to grow and develop in spite of the staggering blow to one of its base industries. Employment in the seven counties has increased by 16.5% from 2001 to 2006, and wages have increased by 39%. Those who once worked in the wood products industry are now working in tourism, health care and technology. The diversification of the region's economy gives the region more stability, and as a result it is more resistant to cyclical changes.

In 2007, the Montana Department of Labor and Industry applied for a grant that assists regional leaders in developing a plan and strategies to revitalize and grow their economies. The Regional Innovation Grant (RIG) builds on what already exists within the region, and helps develop the talent pool that can support new and emerging industries.

The US Department of Labor awarded the RIG Grant to the Montana Department of Labor and Industry. The grant is helping the state by providing resources to identify key project partners and a core leadership group to help facilitate regional economic transformation. The Department held a series of community meetings in July throughout the region to identify key community partners in the process and gather information about the issues. Labor Commissioner Keith Kelly said, "This is our chance to see what opportunities are out there in addition to the traditional wood products industry and how we can incorporate those opportunities into diversifying the region's economy."

After the community meetings, a comprehensive strategic meeting was held in Missoula in August. Representatives from business, industry, economic development, education and government met to discuss the issues facing the seven counties and how they can form an economic region. Rick Maher, President and CE of Maher and Maher, facilitated the meeting. He said, "Ultimately it's about you and the future of your community."

Marianne Roose, Lincoln County Commissioner agrees with Maher, "I think we have strength in numbers with change and the loss of major industries in rural Montana, we've had to look at diversifying. Education, health and sustainable wages play a key role; if we can't sustain our communities we aren't going to survive."

One of the exercises at the strategic meeting in Missoula had participants break out in groups and identify the region's assets, opportunities and needs, develop strategies for growing the regional social leadership network, analyze identified economic trends, and identify the region's legacy and emerging industries and clusters for targeting the workforce and education systems. This exercise was designed to get participants thinking about all the different facets of creating an economic region and what needs to be done in order to further diversify the region's economy. "Business, education and labor need to work together to develop the talent pipeline so that we can attract and develop new industries to the area and grow the region's economy," said Commissioner Kelly. Kirsten Pevey with Flathead Community College agrees, "Whatever we're doing at the community college has to match the needs of industry."

But while participants also want the economy to continue to grow, they want to protect the region's natural resources, the environment and the quality of life, the things that make the region so attractive to people in the first place. "As a community which includes retiring workers, we're all here for the same reason: the value we place on our environment," said Pat Connell of Rocky Mountain Log Homes.

After the strategic meeting, a core group was formed that will develop priorities, benchmarks, timelines, resource/asset mapping, evaluation methods and roles and responsibilities for all parties. The final phase of the RIG Grant process will focus on building sustainability through identification and securing of resources.